



EUREKA InnoVest Programme: Investment Readiness webinar 5:

“How to develop sustainable Business Model”

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Business Model Workshop

David Tee – Head of Membership Services, EBN



Business Models: Key Questions

1. What is a business model?
2. Why are they important?
3. How should they be developed?
4. When should you start?

1. A Business Model...

...describes the rationale of how an organisation **creates**, **delivers** and **captures** value

- Customers
- Offer
- Infrastructure
- Financial viability

...not a Business Plan

- A business plan tells you how to build an organisation
- A business model tells you how you are going to make money

Examples

- Auction
- Bricks and clicks
- Collective / Cooperative
- Component
- Cutting out the middleman
- **Direct sales**
- Distribution
- Fee in, free out
- Franchise
- **Freemium**
- Industrialization of services
- Low-cost carrier
- Loyalty
- Monopolistic
- Multi-level marketing
- Network effects
- **Online auction**
- Online content
- Premium
- Professional open-source
- Pyramid scheme
- **Razor and blades**
- Servitization of products
- Subscription

2. Why are they important?

- They provide
 - management
 - investors
 - employees
- With
 - a common understanding
 - how it will be achieved
 - sets expectations for all stakeholders

3. How should they be developed?



- Many tools available
- Concentrate on the *Business Model Canvas*
 - Go to www.BusinessModelGeneration.com
- With as many stakeholders as possible, including potential customers

4. When should you start?

- Before
 - Developing a business plan
 - Attempting to raise money

The *Business Model Canvas*

4 Areas

How?

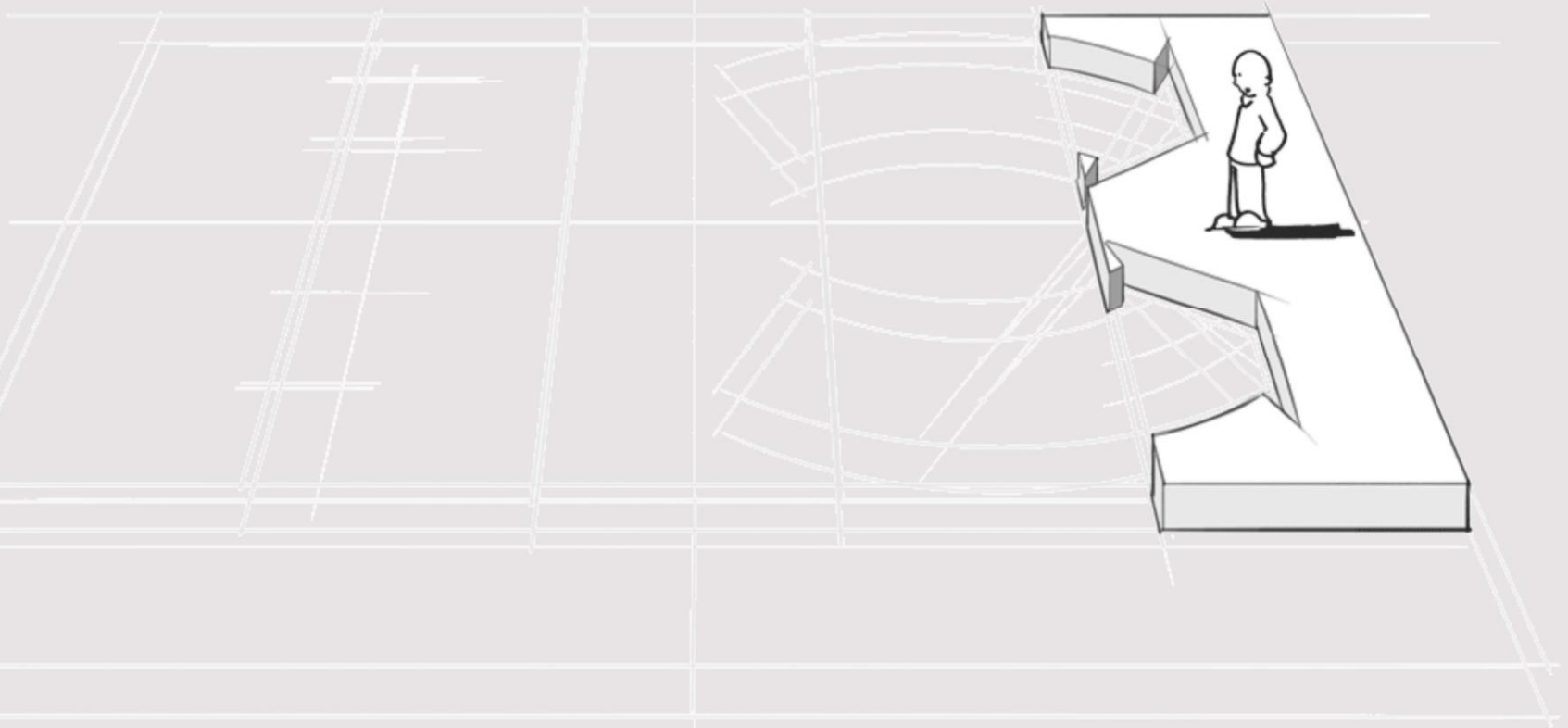
What?

Who?

- \$?

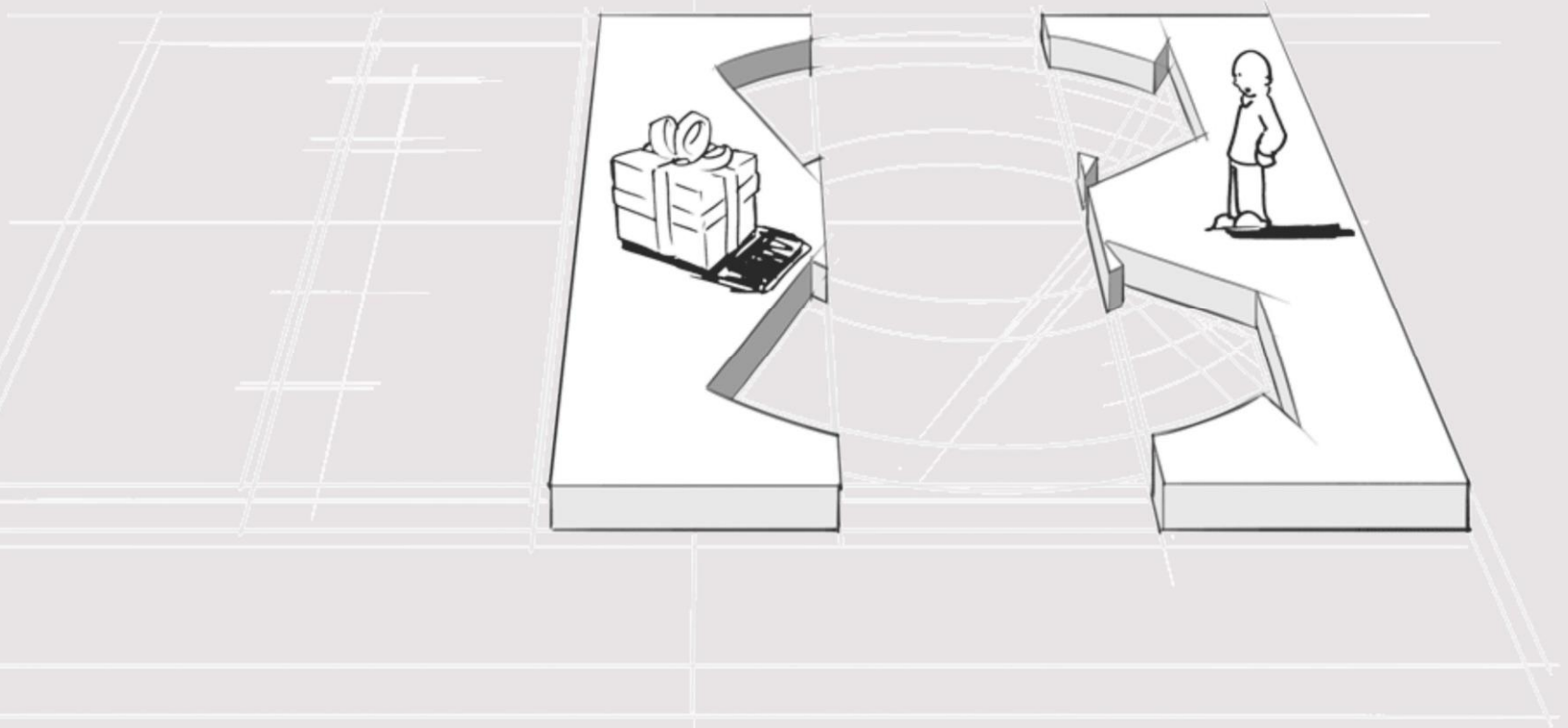
+ \$?

CUSTOMER SEGMENTS



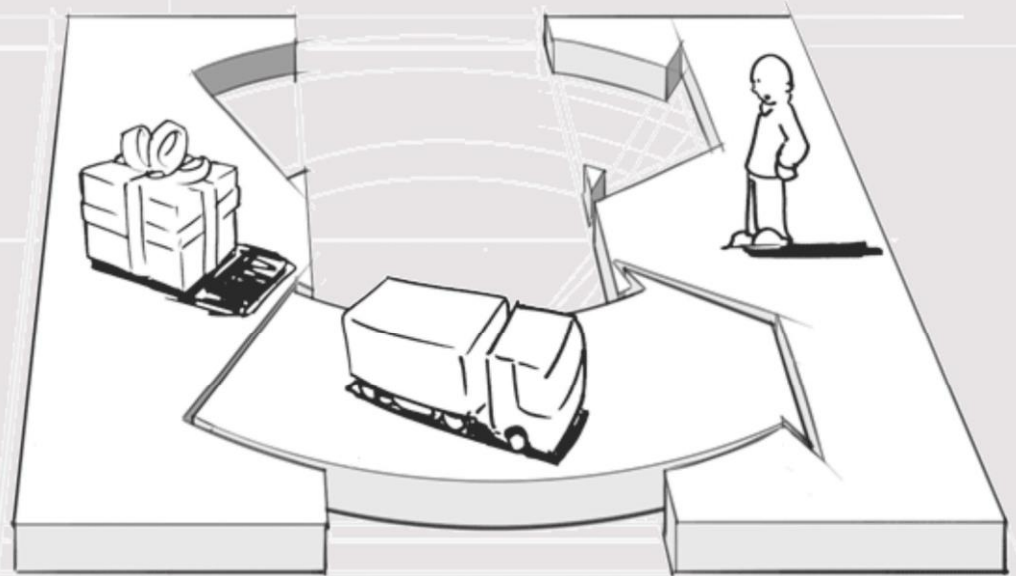
which customers and users are you serving?
which jobs do they really want to get done?

VALUE PROPOSITIONS



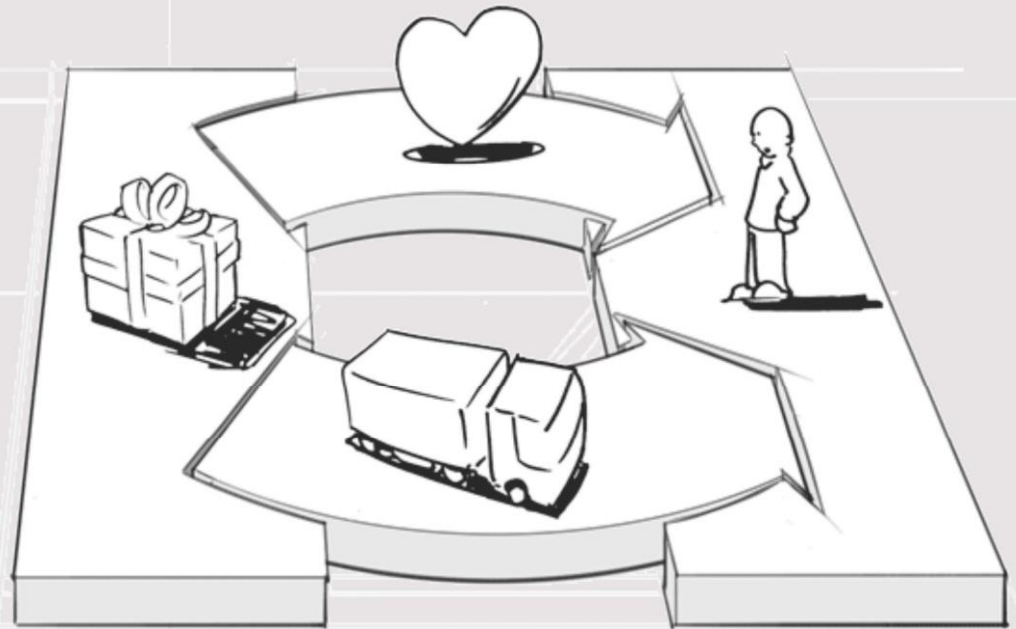
what are you offering them? what is that getting done for them? do they care?

CHANNELS



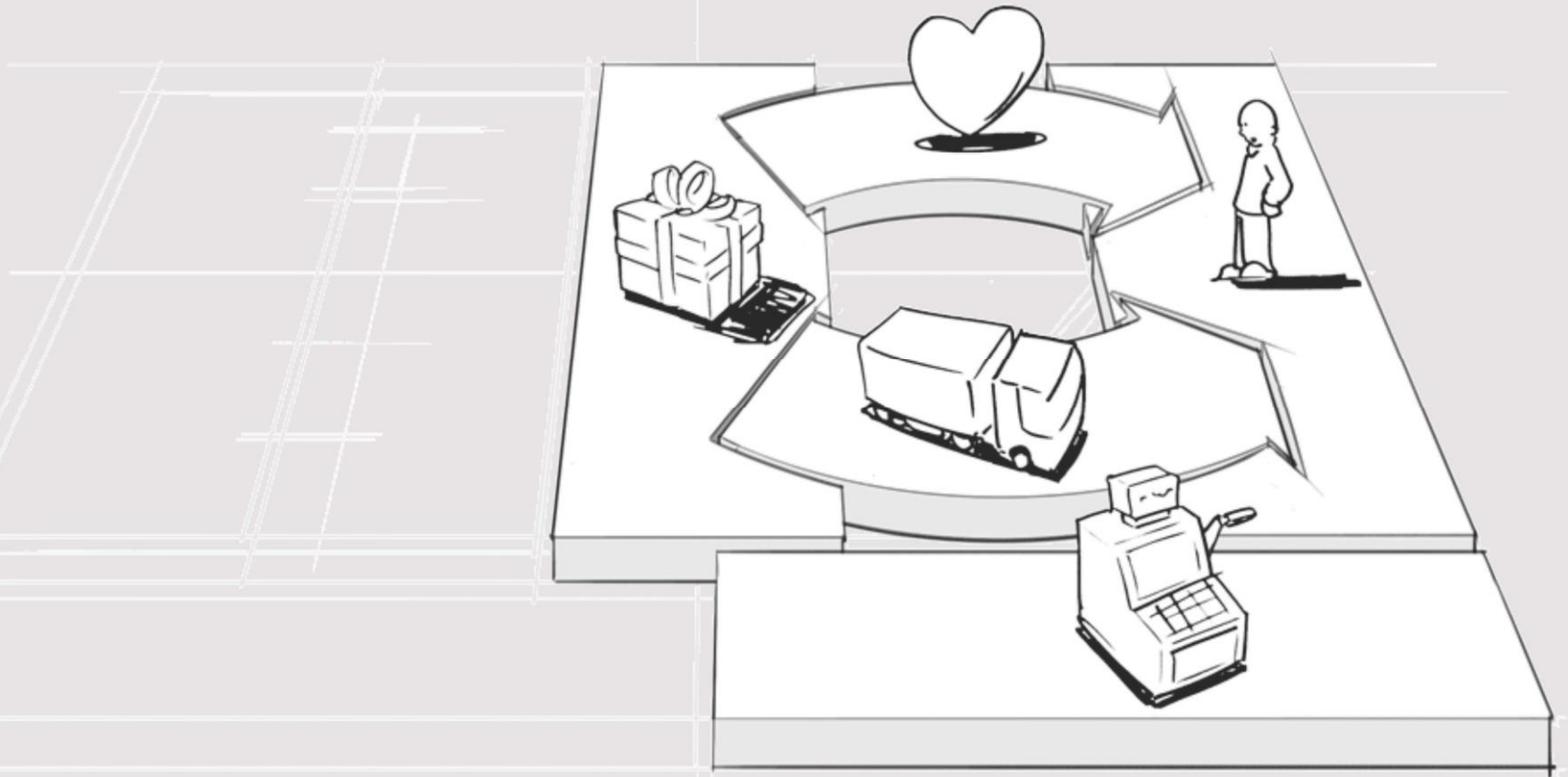
how does each customer segment want to be reached?
through which interaction points?

CUSTOMER RELATIONSHIPS



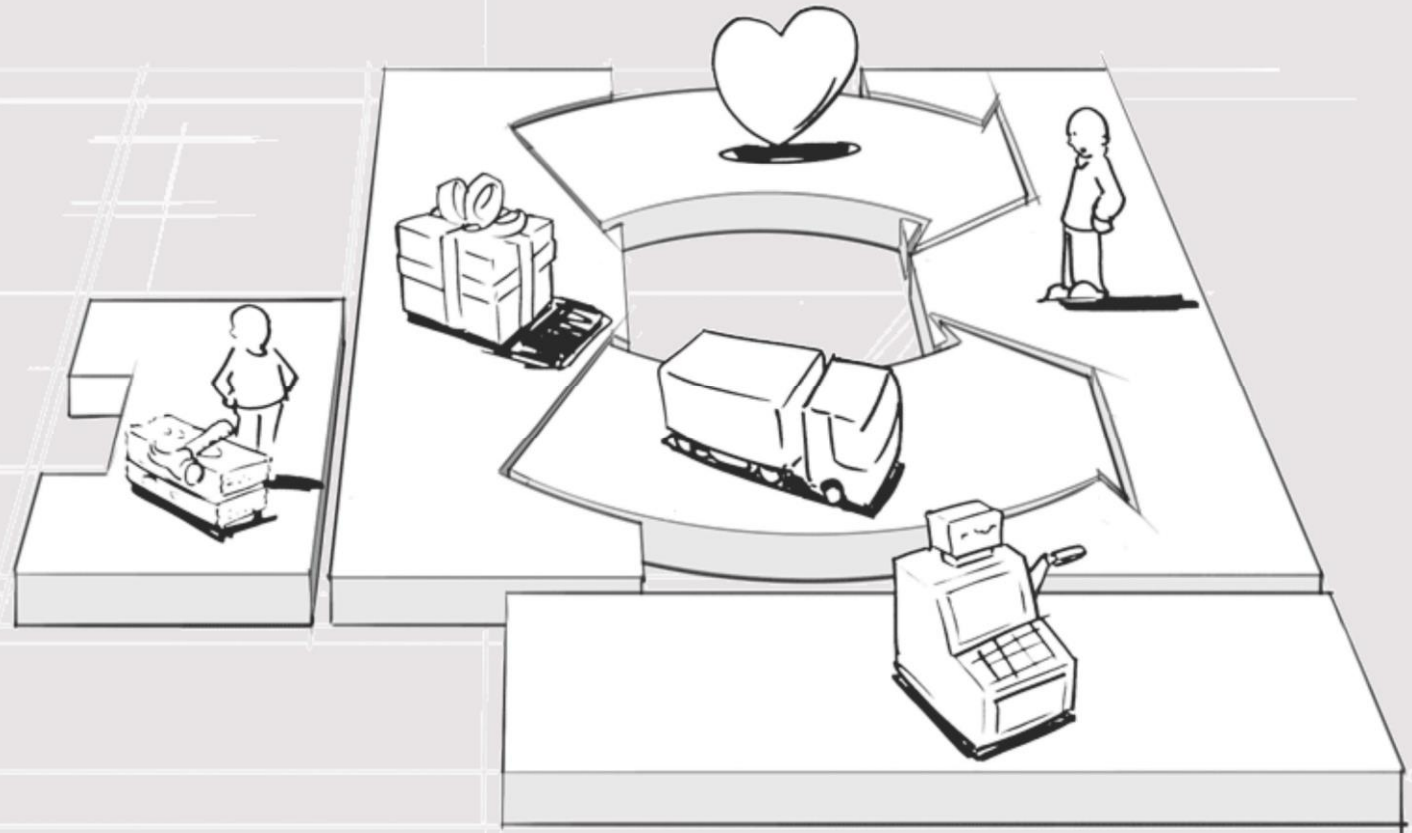
what relationships are you establishing with each segment?
personal? automated? acquisitive? retentive?

REVENUE STREAMS



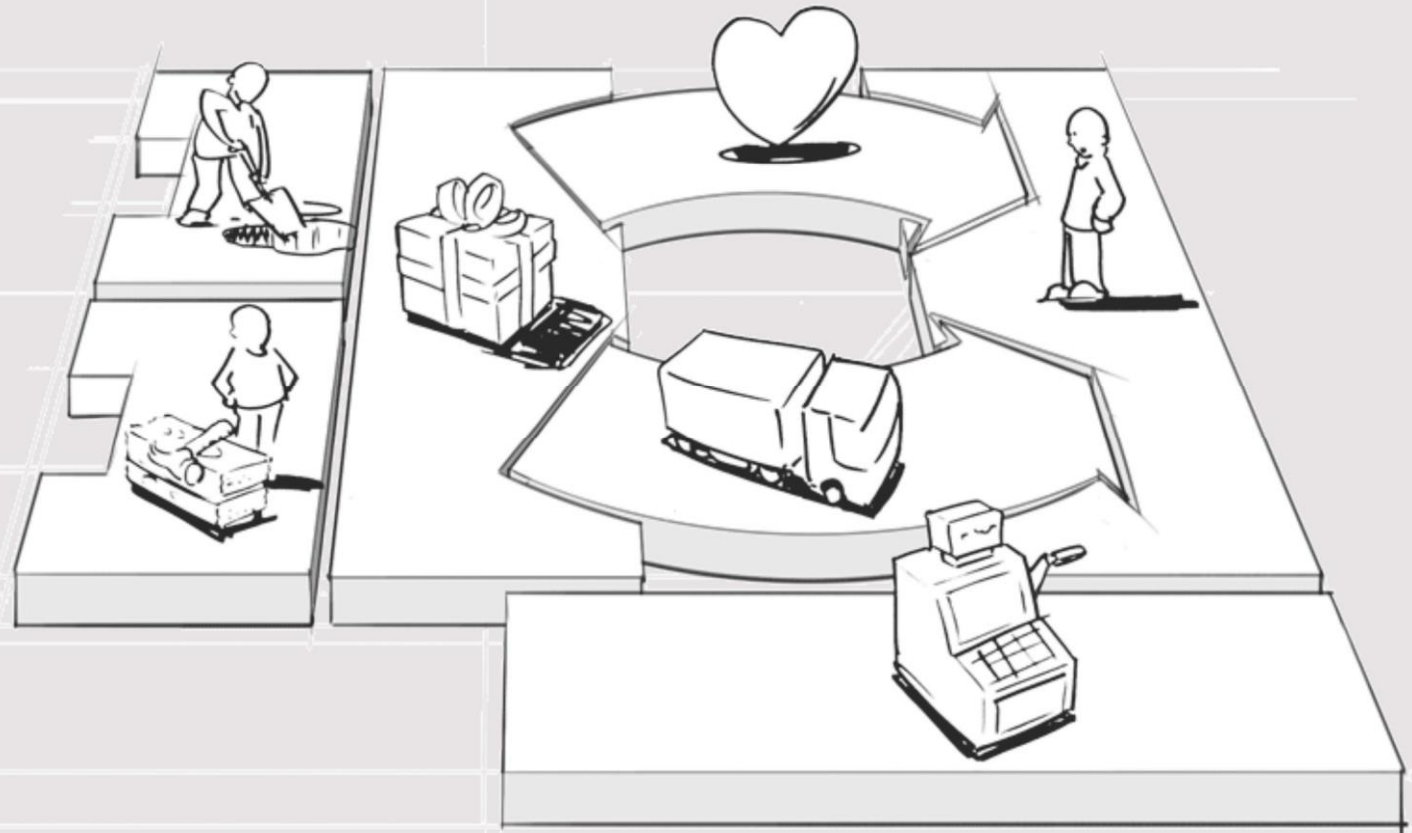
what are customers really willing to pay for? how?
are you generating transactional or recurring revenues?

KEY RESOURCES



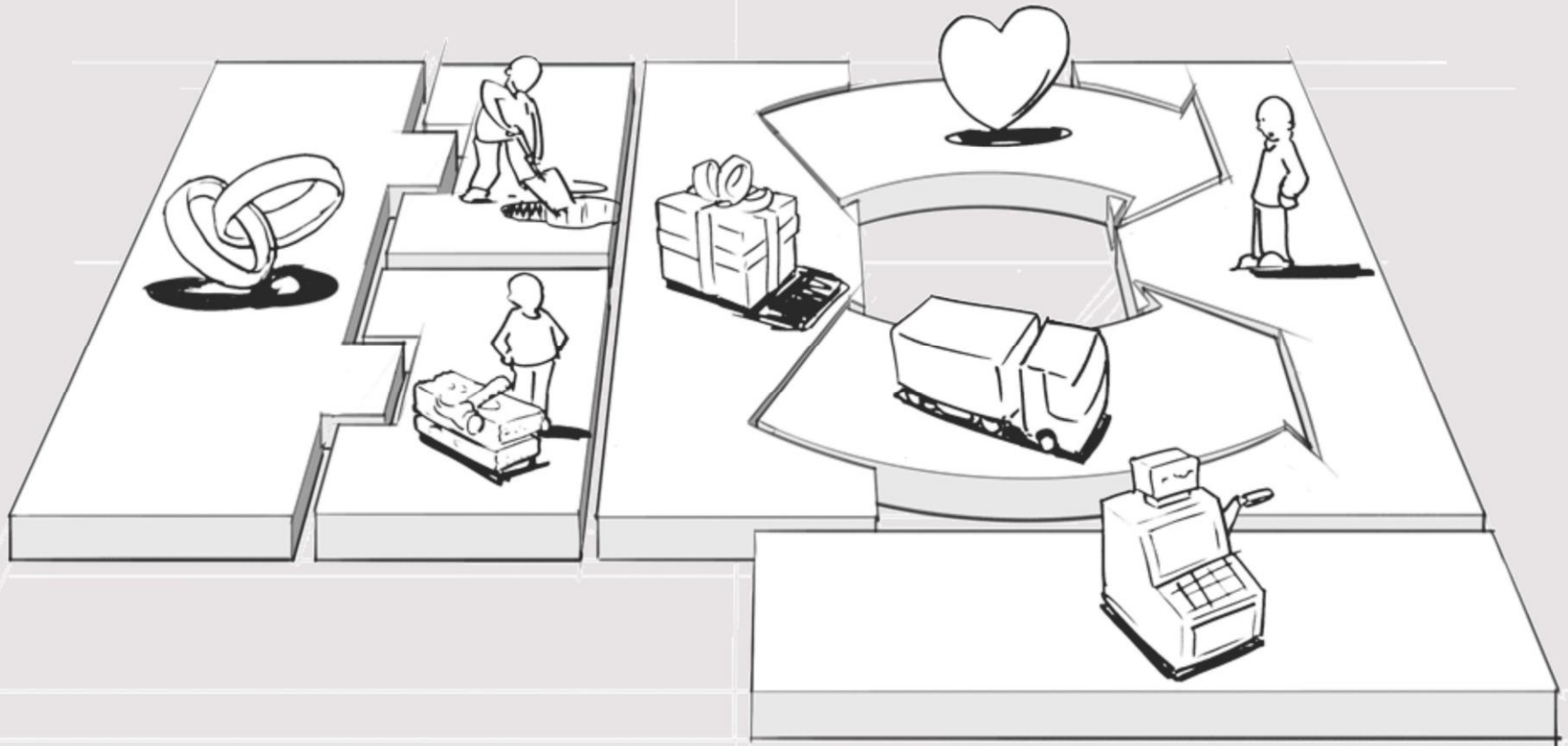
which resources underpin your b.model?
which assets are essential?

KEY ACTIVITIES



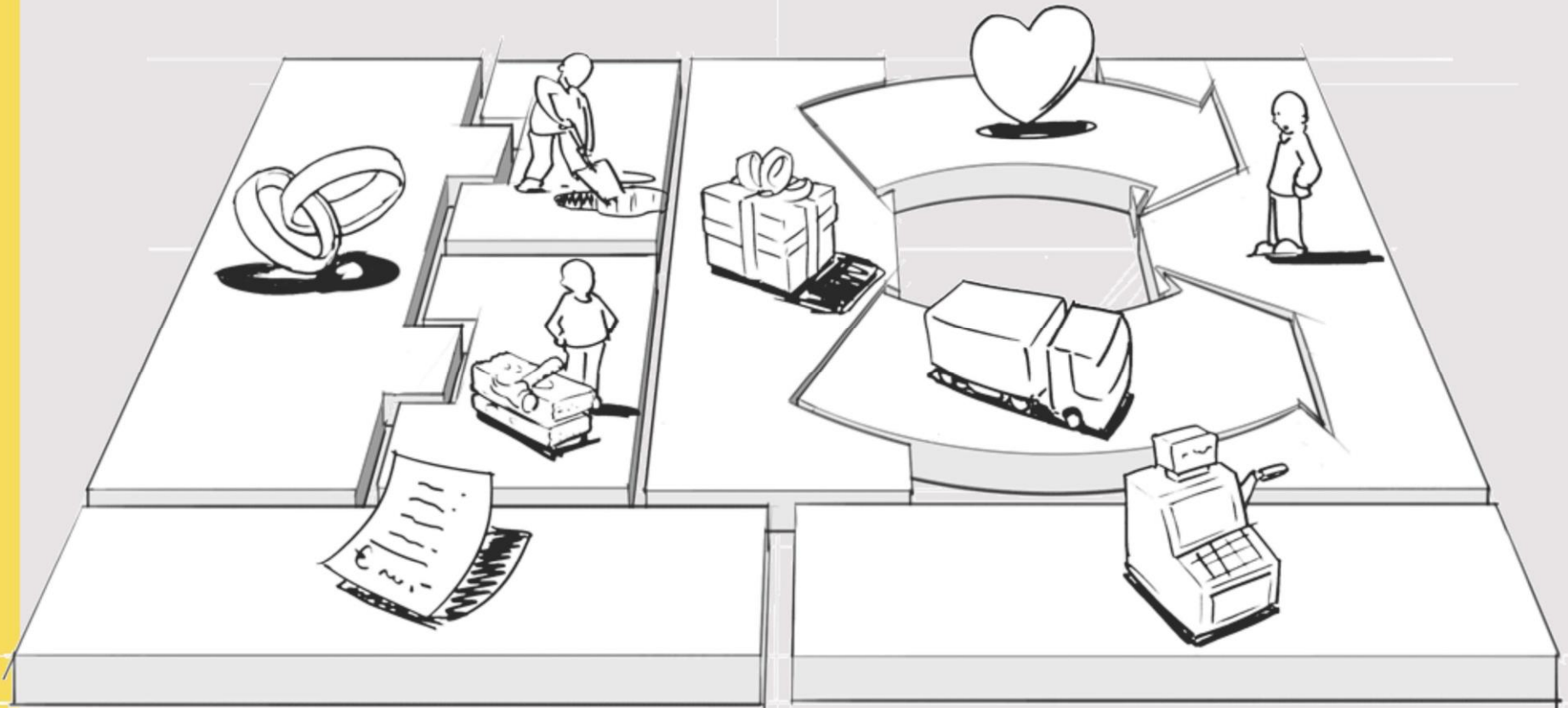
which activities do you need to perform well in
your b.model? what is crucial?

KEY PARTNERS

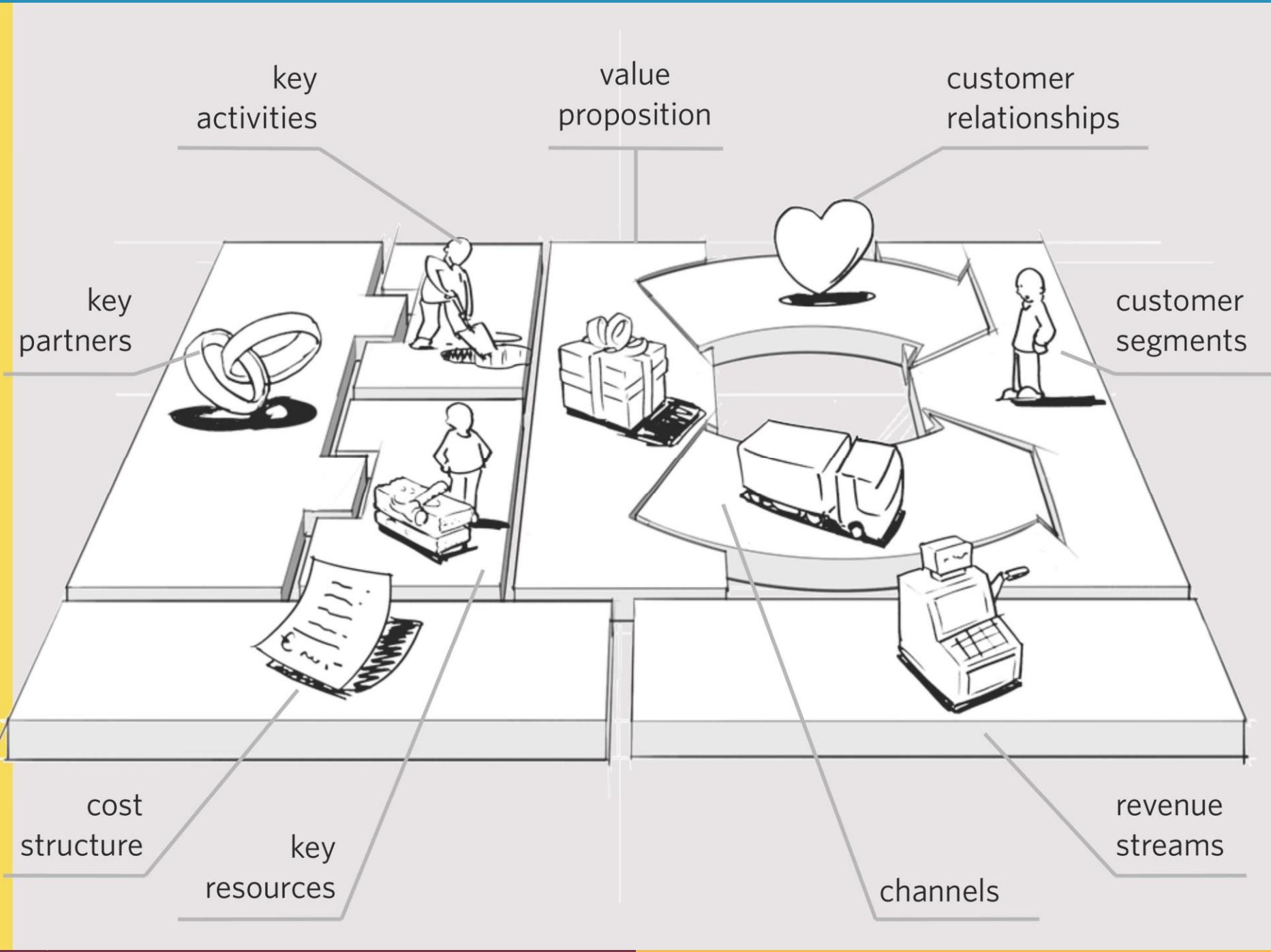


which partners and suppliers leverage your model?
who do you need to rely on?

COST STRUCTURE



what is the resulting cost structure?
which key elements drive your costs?



Online Canvas Makers

- <https://bmfiddle.com/f/>
- <http://www.bmcanvas.com/>
- <https://canvanizer.com/>
- [http://www.businessmodelgeneration.com/canvas/
bmc](http://www.businessmodelgeneration.com/canvas/bmc)

Thank You

David Tee – david.tee@ebn.eu

Business model generation for the ICT sector

Gitte Schober, StartLife



Who is talking?

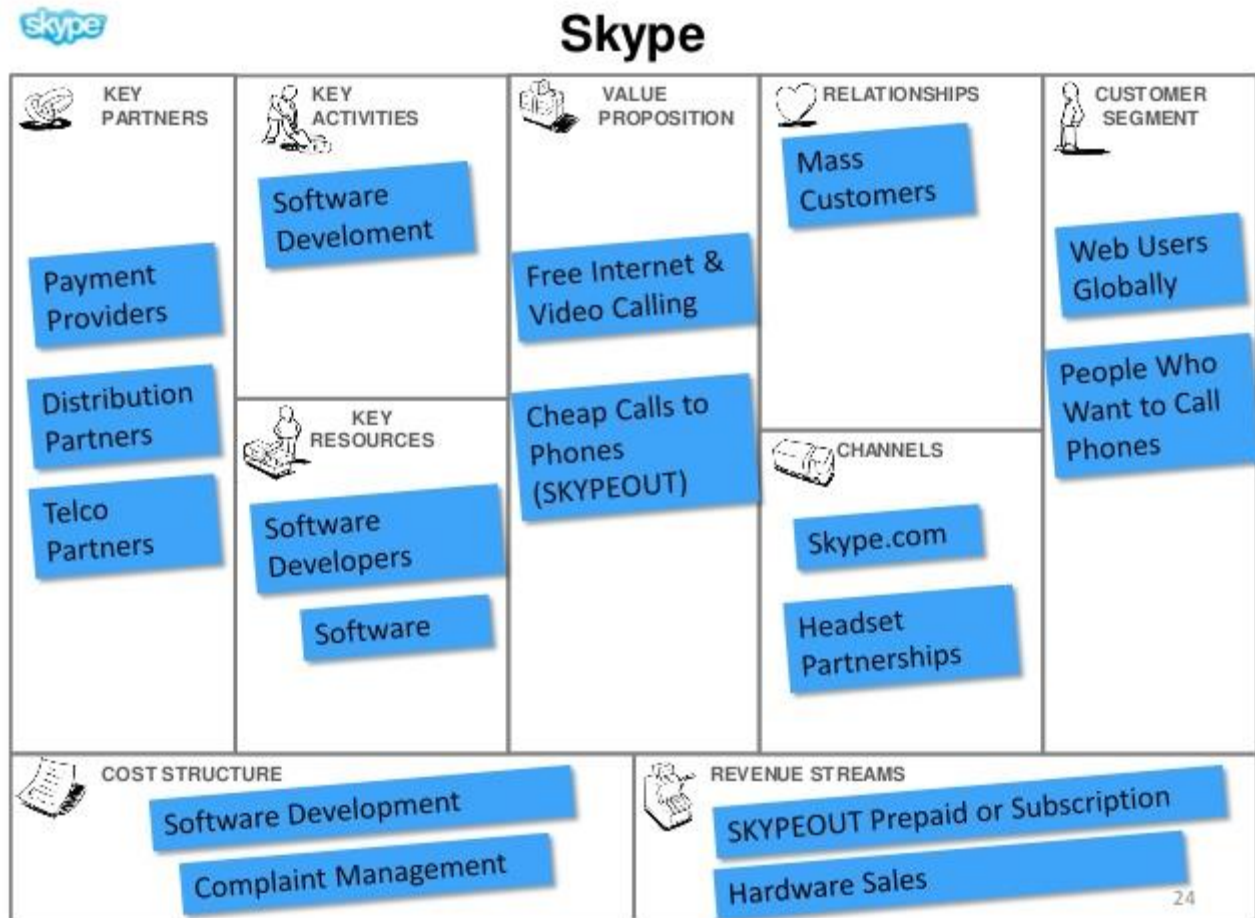


Dr BM (Gitte) Schober, Center of Entrepreneurship StartLife / Wageningen UR
Expertise: Start-up development, entrepreneurial skills and competences,
business model canvassing and value proposition design
Sector: Ag-tech, food, biobased economy

Business model example IT (1)

B2C proposition:

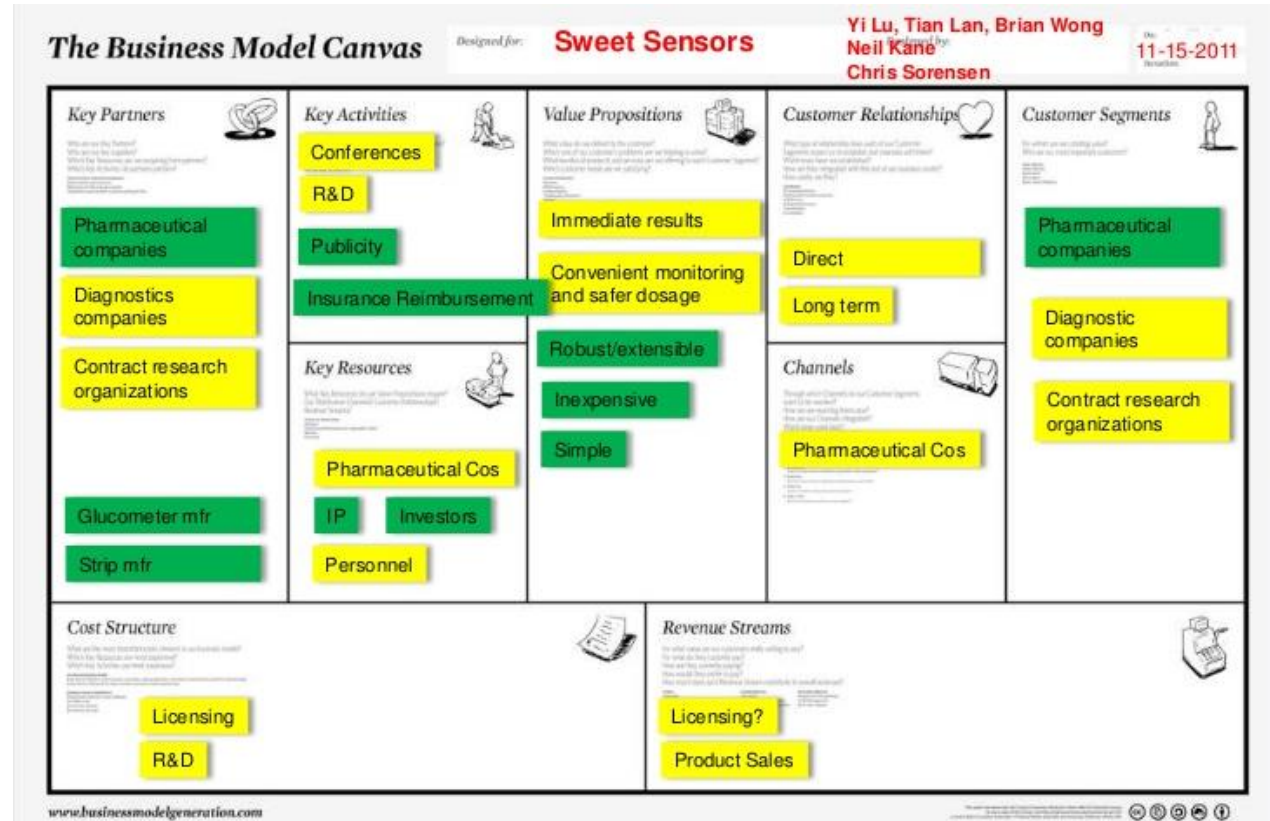
- Free service
- End user normally is not paying customer
- NPD essential for customer retention



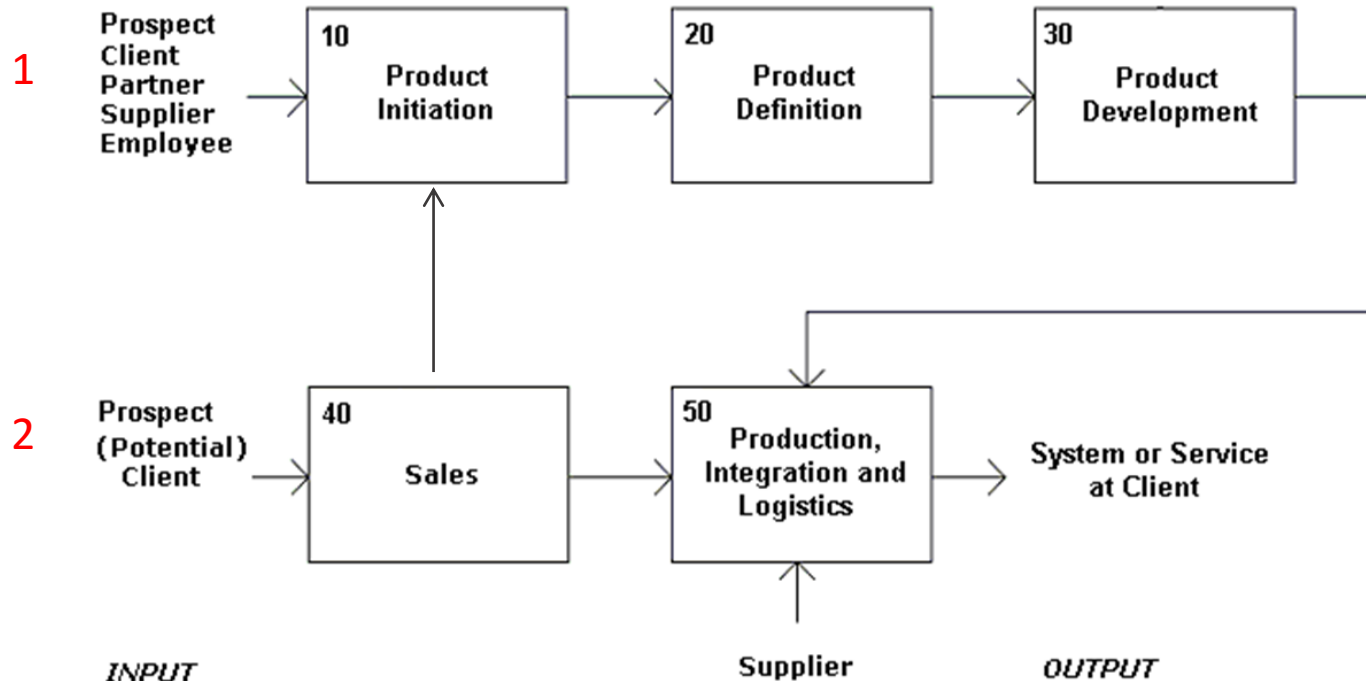
Business model example IT (2)

B2B Proposition:

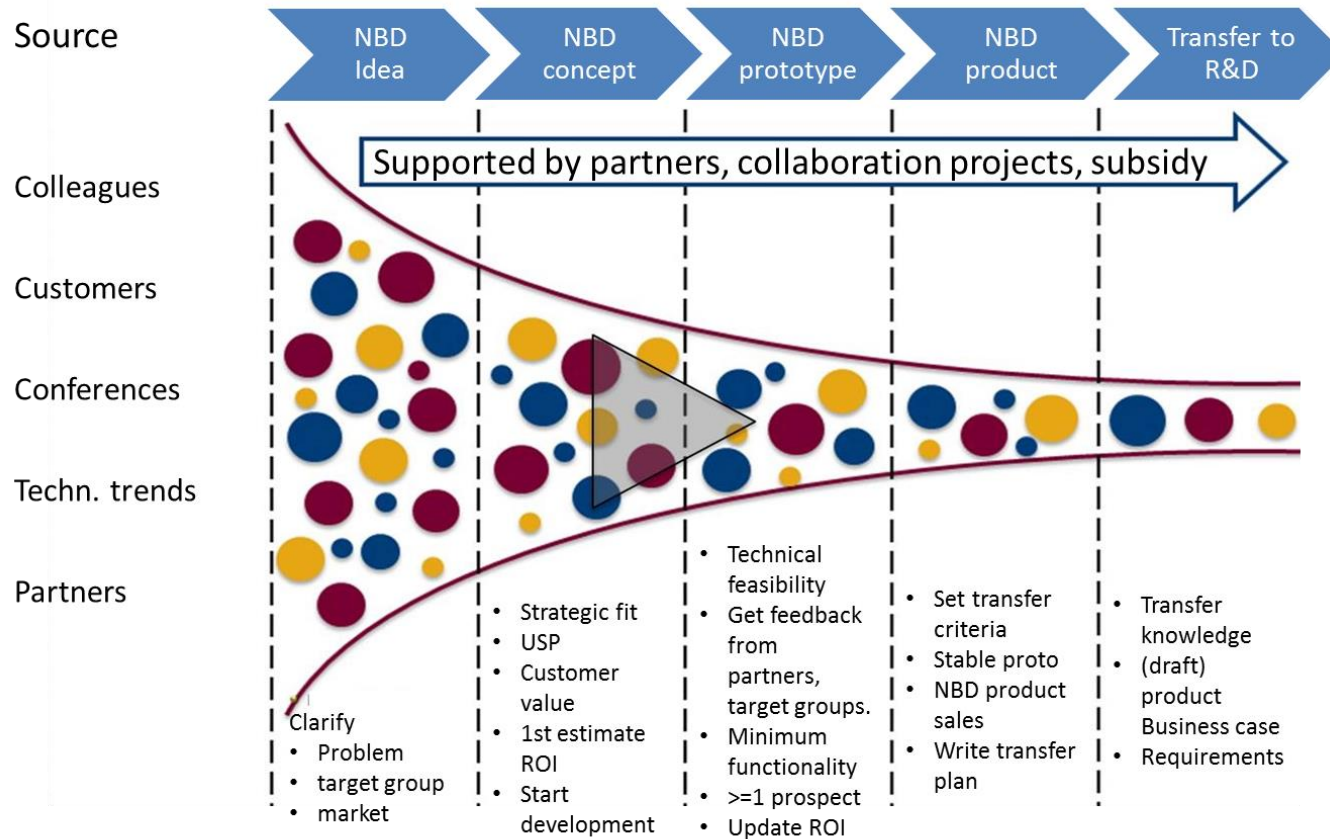
- Research for innovation and competitive edge
- In the interest of product development
- Contacts with universities and “knowledge networks”: for access to scientific and market knowledge, plus commercial spin-off
- Establish NFP network communities



Two tier customer driven NPD

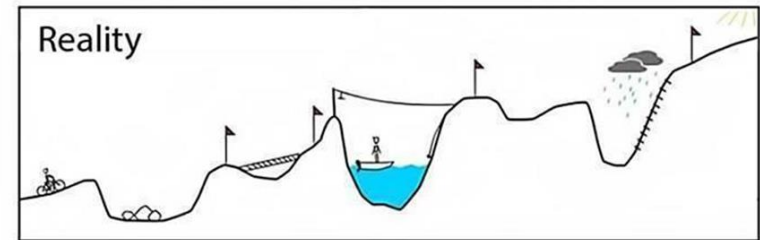
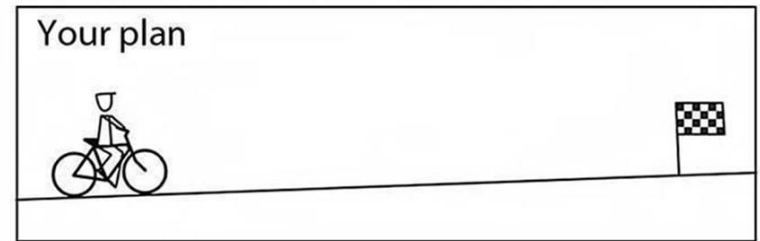


Customer driven NPD funnel

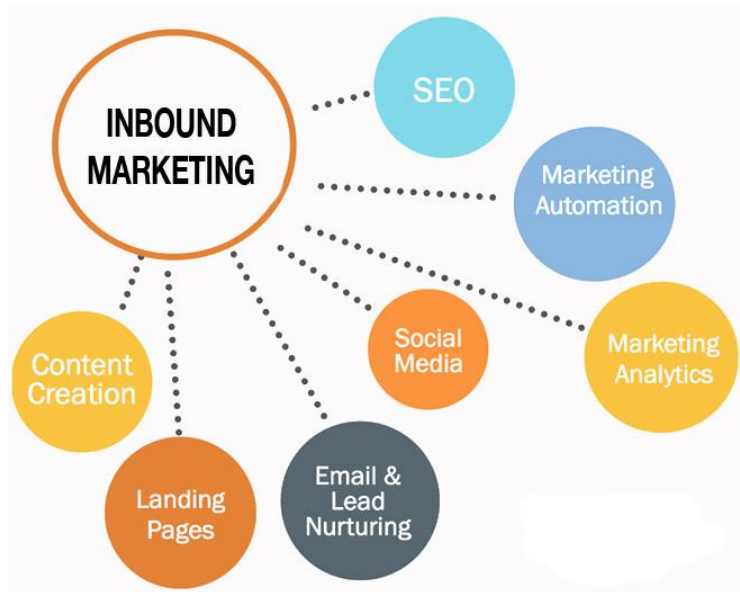


Customer driven development

- Planning using stage gate process: abandon failures early
- Co-development: involve early adopters
- Be optimistic, but also realistic: inform customers
- Get feedback: stay flexible in product specs
- Ask the correct questions, listen to your customers
- Big difference between research result/proto and commercial product
- Lack of focus > make choices



Inbound marketing



Product marketing changed a lot over the years

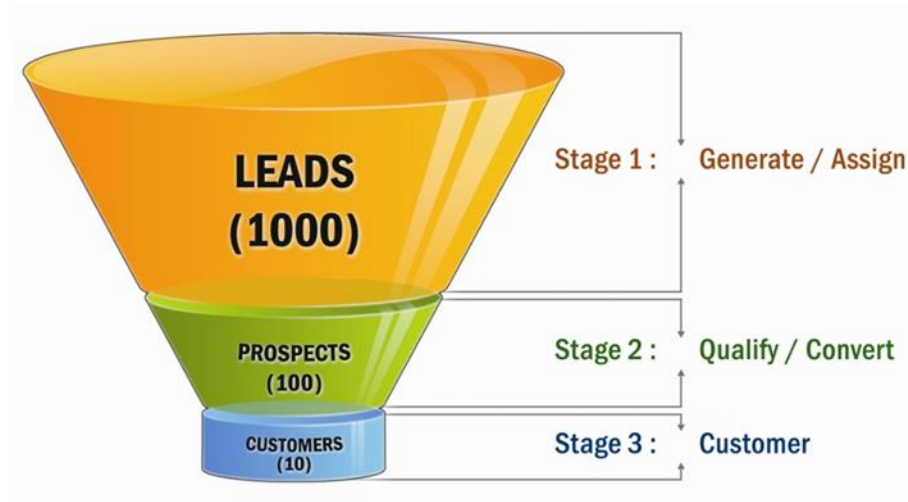
In the past it was mostly about *sending messages*: e-Mailings, advertising (*interruption marketing*)

The last couple of years it is mostly about **inbound marketing**:

- Targeting customers who are actually interested in your products
- Provide useful and quality content so a prospect will actively go and get more information about your products or services.
- So, in essence, you give them something in order to get them to come to you
- Eventually this is a much more affordable marketing strategy
- Note: There are several ways to conduct a successful inbound marketing strategy, all of which require an **online presence**.

MarCom tools: best practices

- How to reach potential customers? - Use the MarCom mix
 - E-mailings (Newsletters, feature articles)
 - Conferences
 - Social media (blogs, animation)
 - Testimonials
 - Word of mouth
 - Articles
 - Website
 - Sales visits



Thank You

Gitte Schober, StartLife

Business Model Canvas in Life Sciences

How to build a sustainable model?

Massimo Nobile, Cimark



Based on a real Biotech Start-up case



- To give a concrete example of how to use the BM Canvas approach in a Biotech environment

Snapshot of the company today



- Early stage start-up with a product close to enter in clinical trials (Phase I)
- Mio scale investment secured to engage in clinical trials
- Pipeline of discovery products
- Strategic partner in the therapeutic area on board

Back in 2011... inception of the project



- Team of seasoned ex-Pharma executives
- Willing to start a project based on 2 pillars:
 - Enough of Pharma/Biotech: too long, too complicated, too much money
 - Surfing on the wave of nutraceuticals
- Goal: developing novel products based on **scientifically proven novel food ingredients** to treat/support Inflammatory Bowel Diseases
 - Using the rigorous approach of the Pharma industry applied to food supplement businesses
 - Using natural ingredients from sources **never touched by the Food Industry**

Buidling the story: value proposition and customer segmentation



Value proposition:

Over the counter food supplement with proven efficacy in inflammatory bowel diseases
Answer to Pharma treatments that are considered as non satisfactory in terms of efficacy and costs

Innovative Natural Ingredients = Proposing a natural cure

Customer Segmentation:

Crohn's (1.5Mio patients)
Ulcerative colitis (2.2Mio patients)
IBS (250Mio Patients)

Building the story: value proposition and customer segmentation



Value proposition:

Over the counter food supplement with proven efficacy in inflammatory bowel diseases
Answer to Pharma t... in terms of efficacy
and costs
Innovative Natural I...

In most of the cases,
entrepreneurs in the Life
Sciences sector tend to build a
complete business plan and
investor roadshow based on
this kind of assumptions

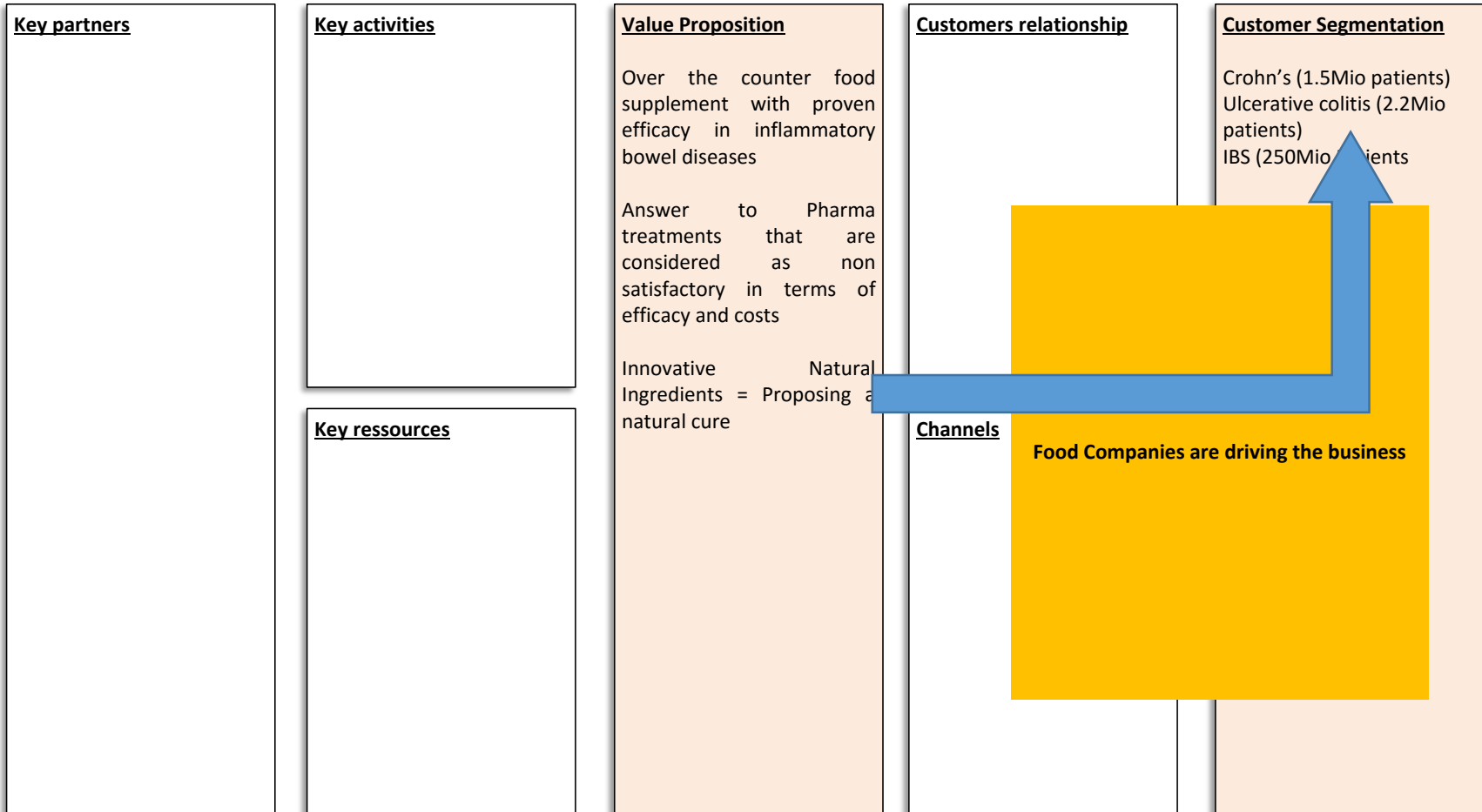
Customer Segmentation:

hn's (1.5Mio patients)
colitis (2.2Mio patients)
IBS (250Mio Patients)

Implementing it into the BM Canvas

<p><u>Key partners</u></p>	<p><u>Key activities</u></p>	<p><u>Value Proposition</u></p> <p>Over the counter food supplement with proven efficacy in inflammatory bowel diseases</p> <p>Answer to Pharma treatments that are considered as non satisfactory in terms of efficacy and costs</p> <p>Innovative Natural Ingredients = Proposing a natural cure</p>	<p><u>Customers relationship</u></p>	<p><u>Customer Segmentation</u></p> <p>Crohn's (1.5Mio patients) Ulcerative colitis (2.2Mio patients) IBS (250Mio Patients)</p>
	<p><u>Key resources</u></p>		<p><u>Channels</u></p>	

Understanding the business rules



Feedback from Food companies

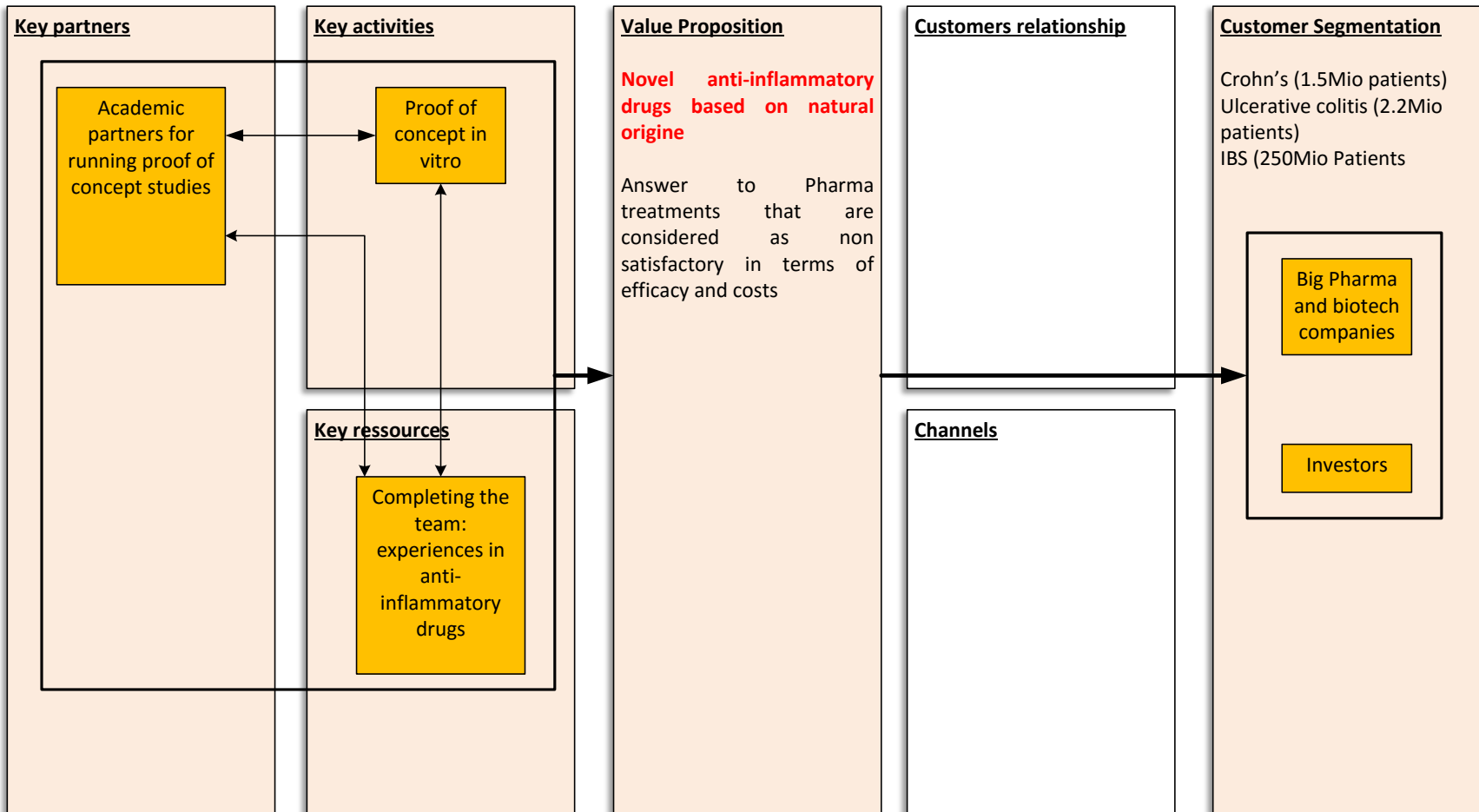


- Very attractive business proposition:
 - Always looking for disruptive products
 - Having a scientifically proven efficacy is not only a plus, maybe a must in a near future
 - Novel food ingredients could give a competitive advantage
- Ready to enter in business, please come back when:
 - Consolidated efficacy data
 - Toxicology data
 - First in men trial

Pivotal role of authorities

- Consultation for toxicology and IP environments:
 - Developing a novel food ingredients, never addressed in the past by the food industry requires strong toxicology studies (estimated 2 years and huge investment)
 - IP environment for natural ingredients not «stable»
- Very close to a classical Pharma/Biotech product, at least at the early stage:
 - High risk
 - Important financing rounds

Pivot in the project: back to a Biotech/Pharma approach



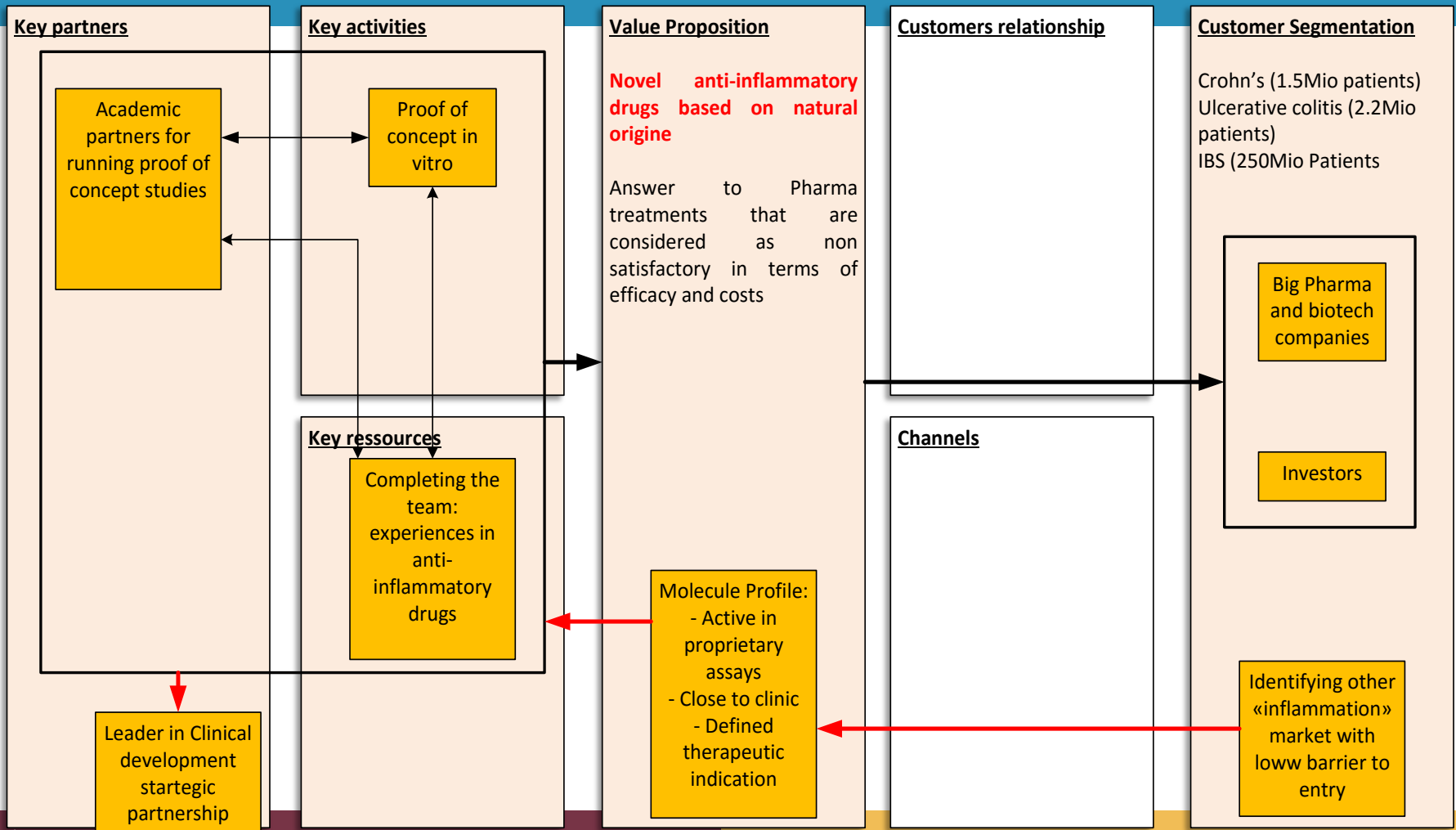
Feedback from Investors and Pharma companies

- Pharma companies:
 - Outstanding drug discovery approach
 - Validated target and market
 - Come back when active compound identified and active in vivo
- Investors:
 - Too early and too risky
 - Very interesting approach
 - How would it be possible to mitigate the risk?



Key of financing round!

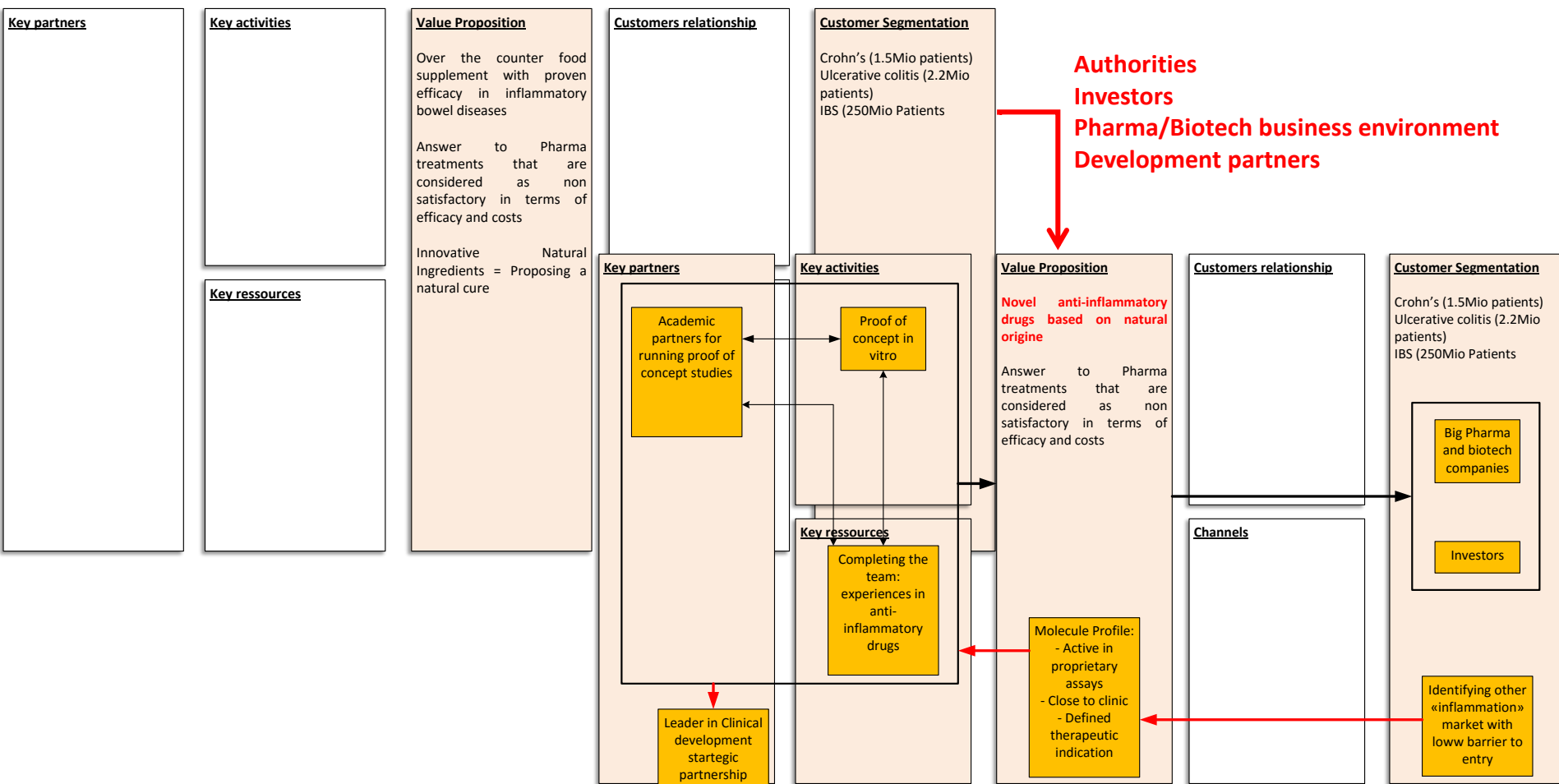
Completing the story...



Key is in adapting the market segmentation in the Canvas

- Understanding the market: moving from a «Patient Centric» to «Stakeholders» model:
 1. Patients
 2. Authorities
 3. Investors
 4. Pharma/Biotech business environment
 5. Competition / Development partners

From a Food Supplement to a Biotech business



As a conclusion, let's go back to the company today

- Early stage start-up with a product close to enter in clinical trials (Phase I)
- Mio scale investment secured to engage in clinical trials
- Pipeline of discovery products
- Strategic partner in the therapeutic area on board

Thank You

Massimo Nobile

Questions and Answers

